

**FISCAL NOTE**  
**SB 416 - HB 731**

March 31, 2007

**SUMMARY OF BILL:** Requires the State to provide 75% of the funds generated by the BEP formula in the classroom components, 65% in the instructional positions components, 70% in the capital outlay component and 50% in the non-classroom components, other than the capital outlay component. Currently, the capital outlay component is 50%.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$94,942,200 FY08-09**

**Increase Local Govt. Revenues - \$94,942,200 FY08-09**

Assumptions:

- This estimate is based on the Department of Education's FY2007 BEP funding.
- Under this bill the estimated increase in the state share of the BEP would be \$94,942,219.
- The required local share would be decreased by a like amount.
- Local revenues would also increase by \$94,942,219.
- There are also estimated minor changes in future years based on fluctuations in ADMs; however, the fiscal impact of these changes cannot be quantified at this time.
- This estimate assumes that the BEP "Capital Outlay" component will be defined by the State Board of Education to consist solely of the BEP "Capital" worksheet that generates funding for local capital construction based upon assumptions currently imbedded in the BEP formula.
- The non-classroom component will consist of the remainder of the current non-classroom component except for the "Capital" worksheet.
- Assumes Capital Outlay will become a separate component of the BEP.
- The increase in local revenue results from the enhanced state share and each LEA will receive a share.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director